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Office Memorandum • UNITED STATES GOVERNMENT

TO : Comptroller

DATE: 19 March 1952

FROM : Assistant Comptroller

SUBJECT: Comments Re: the Attached

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1. I believe that a memo on this should ~~be~~ to the ADSO, but I would suggest revising Mr. [] memo per the attached redraft.

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2. I am of the opinion that any and every case involving misuse of Agency funds should be fully documented and explained and transmitted to DD/A with specific recommendations concerning collection or restitution, corrective action to prevent a reoccurrence, and the disciplinary or legal action which should be taken against the offender(s). In view of the dependence which we must place upon the financial integrity of individuals, because of security requirements, we should in each instance of misuse of funds require a formal investigation and a report of all the facts pertaining thereto. It may be desirable in this case to ask I & S for such an investigation and report.

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3. I discussed this case with [] of I & S and reviewed the I & S file. From the facts at hand, it appears that the reason why this man used official funds was because it was impossible for him to meet the medical and other special expenses of his family and he was under the impression that the Agency would tolerate such a practice. His personal plight is pitiful. He has an invalid wife and a child who requires a special nurse. Although the man's salary has been increased from GS-9 to GS-11, the facts available indicate that he may not be able to meet his obligations on his increased income. Therefore, the restitution of the funds will probably aggravate the situation which impelled him to take the funds in the first place. This could lead to a reoccurrence unless the action taken by the Agency is such as to impress upon the individual the gravity of such an act and the full consequences to himself and his family if such an incident should happen again, and/or unless the individual is placed in such a capacity in the Agency that he would not again have an opportunity to use public assets for personal purposes.

4. From the information contained in the I & S file, it appears that the individual's superiors in [] might have been knowledgeable of the fact that he was using Agency funds for private purposes and tolerated such practice without making any report thereon. This aspect of the situation should receive special attention.

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5. I believe there are strong compassionate grounds for not dealing harshly with the individual by using him as an

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"example." However, I think there are compelling reasons why this case should be fully investigated and reported upon in such manner as to impress upon the individual and all others concerned that the Agency will not tolerate the use of official funds for private purposes.

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